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House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. SCHROCK).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 23, 2002.

I hereby appoint the Honorable EDWARD L. SCHROCK to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 25 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes, but in no event shall debate extend beyond 9:50 a.m.

The Chair recognizes the gentleman from Texas (Mr. DOGGETT) for 5 minutes.

TOBACCO SMUGGLING ERADICATION ACT OF 2002

Mr. DOGGETT. Mr. Speaker, this week, with the support of over 60 of our colleagues, I am introducing major law enforcement legislation both to prevent crime and to promote the health of Americans and people around the world.

The Tobacco Smuggling Eradication Act seeks to slow illicit trafficking in tobacco, the world's most widely smuggled legal consumer product.

Across America this year alone some 17 States have already approved cigarette tax hikes. Increasing the price of cigarettes is one of the most effective ways of discouraging children from a lifetime of nicotine addiction. While each tax increase advances public health, it also increases the incentives for smuggling cheaper, "tax-free" black market tobacco.

At a time of tight budgets, State and Federal authorities in the United States are suffering losses of more than \$1.5 billion each year in evaded cigarette taxes. By cracking down on smuggling, we can collect this much-needed revenue. With prices rising as high as \$7 a pack in New York City, the need is even greater to stop those who offer smokers a nicotine hit without a tax hit.

The same incentives that exist here in America exist around the world when American tobacco is exported—from Canada to Iraq, from China to Colombia. Of all cigarettes manufactured within the United States for export, it is estimated that from one in three to one in four of those cigarettes will be sold illegally without collection of taxes.

Internal tobacco company documents indicate that big tobacco companies themselves know that their cigarettes are sold to distributors and agents who will smuggle them illegally. In too many cases they have carefully overseen and even directed the actions of smuggling intermediaries, ensuring that customers have access to these lower black market prices.

The health consequences of smuggling are severe because the number of nicotine-addicted children and poor increases dramatically with the availability of cheap tobacco. The World Bank reports that within the next two decades, tobacco will become the single biggest cause of premature death worldwide accounting for 10 million deaths each year. That is the equiva-

lent of 70 jet planes crashing every single day, and 70 percent of these deaths will occur in developing countries that are least able to fend off the giant tobacco companies and protect their families.

These are unique individuals who will choke to death with emphysema, wither away with lung cancer, or suffer the severe pain of a heart attack. If urgent action is not taken, tobacco will soon end even more lives than the combined total of all to be killed by AIDS, tuberculosis, maternal deaths in childbirth, automobile accidents, homicides, and suicides.

In preparing this bill, I have worked closely with Federal and State authorities to develop measures that will help them better crack down on tobacco tax evaders. This bill will enable law enforcement officials to share information with foreign countries about international smuggling and authorize new tools to combat smuggling within the US.

To prevent diversion, this bill requires that packages of tobacco products be labeled to facilitate tracing them and verifying their manufacturing source. Packages for export must also clearly be labeled for export to prevent illegal reentry. Additionally, this bill will close the distribution chain and prevent transfers from the legal market by requiring retailers and wholesalers to maintain documents that law enforcement needs to monitor tobacco shipments.

Essential Action and other public interest groups indicated in a briefing paper by the Framework Convention on Tobacco Control Alliance that requiring wholesalers, manufacturers and import-export business to be licensed would be one of the "most effective interventions against large-scale smuggling." With the additional permitting requirements in this bill, the US would meet this objective.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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